

Assembly Hearing on Realignment of Social Services Testimony
Health and Senior Services Commissioner Mary O. Dowd
Wednesday, April 4, 2012

Good Morning Chairman Prieto, Vice Chairman Schaer, Assemblyman O'Scanlon and members of the Committee.

Thank you for the opportunity to appear before you today. During his Budget Address for State Fiscal Year 2013, Governor Chris Christie announced a restructuring of state government. A significant part of his proposal involves the transfer of senior services to the Department of Human Services—specifically, two divisions will become part of a new Division of Aging Services at DHS.

The Department's budget reflects this change. A total of \$2.2 billion would be transferred from the Department of Health to the Department of Human Services.

This allows all funding, policy decisions and programs for seniors—including nursing homes, home and community-based care and PAAD and Senior Gold—to be managed by a single agency. We have been working very closely with our county offices on aging and other stakeholders on this transition. The AARP and many other advocates have endorsed this consolidation. In fact, the AARP said: “This proposed reorganization marks a milestone in the evolution of the rebalancing of New Jersey’s system of long-term care services...Consolidating these programs will create a more effective organization to give people what they want—more home and community-based options.”

The Department is proud of the advancements we have made in enhancing the quality of services provided to New Jersey seniors. Since 1996, when various senior programs in four state agencies merged into the Department, the focus of care has shifted from an institutional emphasis toward home and community-based care. This transition resulted from an innovative collaboration between stakeholders and government.

The Department’s Global Options Program for Long Term Care has been a great success. It was created in 2007 with \$30 million and is now proposed at more than \$280 million. This increase clearly demonstrates the Administration’s commitment to expanding access to home and community-based options.

Another significant achievement has been the transformation of the PAAD and Senior Gold programs since the advent of Medicare Part D in 2006. PAAD and Senior Gold continue to maintain vital access to pharmaceuticals for 148,000 seniors while leveraging Medicare Part D, resulting in significant savings for the State. We have also had great success in working smarter by using PAAD to enroll seniors into the Supplemental Nutrition Assistance Program. Our efforts have resulted in an additional 30,000 seniors gaining access to this vital nutrition benefit.

In addition, through our network of community partners and volunteers, the Department’s 25-year-old State Health Insurance Assistance Program—one of the first of its kind in the nation—

provides thousands of Medicare beneficiaries with counseling to help them navigate the complex world of insurance.

We are now building on this progress by moving all senior programs to DHS. Seniors will now have one department addressing their long term care needs, prescriptions, utility assistance and other programs. And I want to assure you that we are committed to ensuring that this transition is seamless.

As part of the Governor's proposed restructuring of state government, some programs will move into a newly renamed Department of Health from other agencies. Our budget would total \$1.9 billion and gives us a unique opportunity to sharpen our focus on key public health issues. Our agency's mission is to improve health through leadership and innovation. We will continue to license and inspect health care facilities, provide quality data to consumers, ensure the safety of food, monitor communicable diseases, provide services to the uninsured through our health care safety net, respond to public health emergencies and support our vulnerable populations.

Hospital Funding

To enhance our efforts to improve predictable and transparent funding for hospitals, the Hospital Relief Subsidy Fund and Graduate Medical Education will be transferred from DHS to the Department of Health within the Office of Healthcare Finance. For the past two years, both Departments have jointly proposed a holistic view of hospital funding. Building on this progress, we will create one point of contact on all hospital subsidy programs. The New Jersey Hospital Association and the Hospital Alliance endorse this approach.

Health IT

To promote collaboration and planning, the state Office of Health Information Technology will be transferred to the Department of Health. It will work in concert with the Department's HIT Commission, which is comprised of many stakeholders from the health care delivery system. Working together, they will support the use of HIT across the state as well as promote the adoption of electronic medical records. The benefits for New Jersey residents are improved patient safety and quality, enhanced public health, cost reduction and consumer engagement.

The overall goal of the realignment of state government is to better serve our constituents and the regulated community.

I thank you for this opportunity to discuss the Department's realignment and I look forward to working with you.